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C O N F I D E N T I A L SECTION 01 OF 05 OTTAWA 01494

E.O. 11652: GDS
TAGS: PEBR,PINT,CA
SUBJECT: PC LEADER JOE CLARK:WHO IS HE AND WHERE DOES HE
STAND?

REF: A) OTTAWA 641; B) OTTAWA 7679 (77)

1. BEGIN SUMMARY. THOUGH NOT LIKELY, PROGRESSIVE CONSER-
VATIVE (PC) LEADER JOE CLARK COULD BECOME PRIME MINISTER
IN NEXT NATIONAL ELECTIONS (REF A). BOTH CLARK'S PERSONAL-
ITY AND HIS POLICIES ARE DIFFICULT TO DESCRIBE WITH CONFI-
DENCE. AFTER TWO YEARS AS LEADER, HE REMAINS A PECULIARLY
AMORPHOUS FIGURE WITHOUT STRONG PERSONALITY CHARACTERIS-
TICS, POLITICAL PANACHE, OR WELL-ARTICULATED POSITIONS ON
MOST MAJOR ISSUES.

2. CLARK, THE MAN, HAS NOT IMPRESSED THE ELECTORATE; HE
LACKS VISUAL APPEAL; HAS NO EXCITING INTERESTS BEYOND
POLITICS; AND HAS A SO-SO DELIVERY BEFORE LARGE AUDIENCES.
HE CAMPAIGNS WELL, HOWEVER, IN SMALL GATHERINGS; IS BRIGHT
(ENOUGH); HAS A PHOTOGENIC FAMILY; AND IS A TIRELESS
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WORKER. HIS CURRENT LIGHTWEIGHT IMAGE COULD WORK TO HIS
EVENTUAL ADVANTAGE. ROUGH AND PARTIALLY UNFAIR MEDIA
TREATMENT, PLUS A LIBERAL DISDAIN CAMPAIGN, HAVE CREATED
AN UNREALISTIC PICTURE. IN OUR VIEW, CLARK IS BETTER THAN
PRESENT PUBLIC IMAGE. WITH HEAVY CAMPAIGN EXPOSURE, HE
COULD REGISTER FAVORABLY WITH MANY SURPRISED VOTERS.

3. CLARK'S POLICIES ARE VAGUE, IN LARGE PART ON PURPOSE. HE AND TORIES FEEL BEST STRATEGY IS ATTACK ON TRUDEAU GOVERNMENT WITH A MINIMUM OF POSITIVE POLICY FOR LIBERAL COUNTERATTACK. HIS FOREIGN POLICY CLOSELY PARALLEL'S TRUDEAU GOVERNMENT'S. CLARK AND ADVISORS APPRECIATE IMPORTANCE OF CANADA-US RELATIONSHIP AND ARE FAVORABLY DISPOSED TOWARDS U.S. ON NATIONAL UNITY, HE FAVORS "FLEXIBILITY" WITH EMPHASIS ON DEVOLUTION OF SOME POWER TO PROVINCES. CLARK'S DOMESTIC ECONOMIC POLICY IS NOT WELL-DEFINED AND LEANS HEAVILY ON LESS GOVERNMENT THEME. END SUMMARY.

4. CLARK THE MAN: JOE CLARK HAS BEEN AN IMAGE-MAKER'S NIGHTMARE. HE LOOKS YOUNGER THAN HIS YEARS (38) AND HAS A RECEEDING CHIN WITH PROTRUDING EARS. EVEN HIS NEW SHORT HAIRCUT, REPORTEDLY CRAFTED IN NEW YORK, HAS BEEN OF LITTLE HELP. IF LOOKS ALONE WERE TO DETERMINE THE OUTCOME OF THE NEXT NATIONAL ELECTIONS, CLARK WOULD HAVE NO CHANCE.

5. HE HAS NO MAJOR INTERESTS OUTSIDE POLITICS. HIS RARE SPARE TIME IS SPENT AT HOME WITH LIGHT READING OR AT A MOVIE WITH HIS WIFE. HE OCCASIONALLY CROSS-COUNTRY SKIIS, BUT REPORTEDLY HAS LITTLE INTEREST IN ATHLETICS AS A PARTICIPANT OR SPECTATOR. TORY PUBLICISTS MANAGED TO ARRANGE HIS CATCHING A FISH BUT, FROM THE RESULTING

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PICTURE, IT WAS DIFFICULT TO DETERMINE WHO WAS MOST UNEASY..THE FISH OR CLARK.

6. CLARK'S WIFE, MAUREEN, IS BOTH A PLUS AND A MINUS. SHE IS DEMONSTRATIVELY TOUGH AND DETERMINED. THIS TENDS TO EXAGGERATE CLARK'S SOFT PUBLIC IMAGE. DURING CLARK'S UNSUCCESSFUL TOUR OF BRITISH COLUMBIA LAST SPRING, FOR EXAMPLE, SHE PUBLICLY BERATED A REPORTER FOR BIASED TREATMENT OF HER HUSBAND. CLARK'S LIMITED MACHISMO WAS THE MAIN VICTIM OF THE CONFRONTATION.

7. MAUREEN HAS INSISTED ON RETAINING HER MAIDEN NAME (MC TEER), WITH CLARK'S PUBLIC SUPPORT. TORY ORGANIZERS ARE SINCERELY WORRIED BY THIS. THEY ARE CONVINCED THAT FEMINISTS ARE FEW IN COMPARISON TO TRADITIONALISTS IN CANADA. ON PLUS SIDE, MAUREEN MC TEER IS STRIKINGLY ATTRACTIVE, BRIGHT, AND AN EXCELLENT CAMPAIGNER. WITH THEIR BABY DAUGHTER, THE CLARKS MAKE A PHOTOGENIC FAMILY AND, IN A HEAVILY MEDIA-ORIENTED CAMPAIGN, THIS COULD BE ONE OF CLARK'S STRONGEST SELLING POINTS.

8. CLARK'S SPEAKING STYLE HAS SOME STRENGTHS AND AT LEAST

EQUAL WEAKNESSES. IN FREE-STYLE DEBATE HE IS QUICK AND FORCEFUL. HE IS NOT COWED BY PM TRUDEAU AND, IN THE FAST GIVE-AND-TAKE OF COMMON'S QUESTION PERIOD, HE HAD DONE SURPRISINGLY WELL. WITH A SET SPEECH TO A LARGE AUDIENCE, HOWEVER, HE FREQUENTLY APPEARS PONDEROUS. PERHAPS IN AN EFFORT TO BELIE HIS YOUTH AND INEXPERIENCE, HE BECOMES OVERLY SERIOUS, SINCERE TO A POINT OF POMPOUSNESS. ALTHOUGH HE HAS A GOOD SENSE OF HUMOR AND QUICK WIT, THIS SHOWS ONLY OCCASIONALLY WITH LARGE AUDIENCES. HE CAMPAIGNS WELL IN SMALL GROUPS. MORE RELAXED WHEN WORKING A MAIN STREET OR NEIGHBORHOOD GATHERING, HIS STRONG POINTS--YOUTHFUL CHARM AND HUMOR--ARE HIGHLY EFFECTIVE.

9. CLARK IS INTELLIGENT BUT NOT DAZZLINGLY SO. HE LEANS
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TOWARDS PRAGMATISM AND CAUTION RATHER THAN BOLD INNOVATION. HE SEEKS AND TAKES ADVICE BUT IS ENTIRELY HIS OWN MAN IN MAKING MAJOR DECISIONS. ONLY ROBERT STANFIELD,

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WHOM HE IDOLIZES, COULD EXERT MAJOR INFLUENCE ON CLARK,
AND STANFIELD HAS CHOSEN NOT TO DO SO.

10. IN BACK-ROOM POLITICS SINCE HIS TEENS, CLARK HAS A POLITICIAN'S MEMORY FOR FAVOR OR SLIGHT AND WILL REACT STRONGLY TO BOTH, E.G. HIS BATTLE WITH MP STAN SCHUMACHER WHO HAS NOW LEFT THE PARTY. THIS SUGGESTS TO US THAT CLARK IS MUCH TOUGHER AND DECISIVE THAN HIS PUBLIC IMAGE WOULD INDICATE.

11. CLARK IS A TIRELESS WORKER AND HAS BEEN CAMPAIGNING NON-STOP ACROSS THE COUNTRY SINCE ELECTED LEADER. HIS FORTE IS REPORTEDLY ORGANIZATION ALTHOUGH, ODDLY, HIS OWN OFFICE IS NOTORIOUSLY DISORGANIZED. PERHAPS BECAUSE OF HIS OWN LOW-KEY PERSONALITY AND A WILLINGNESS TO COMPROMISE, CLARK HAS RESTORED BASIC HARMONY TO A FACTION-PRONE TORY CAUCUS. FEW CAUCUS MEMBERS ARE IN AWE OF HIM, BUT MOST ARE WILLING TO FOLLOW HIS GENERAL DIRECTION.

12. CLARK'S PRESENTLY UNEXCITING IMAGE, BUILT IN PART BY UNFAIR MEDIA EXAGGERATION OF HIS WEAK POINTS AND BY

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EFFECTIVE LIBERAL MANIPULATION, COULD WORK TO HIS ADVANTAGE DURING THE HEAT OF TWO-MONTH CAMPAIGN PERIOD. THE PUBLIC IS SO CONDITIONED TO A LIGHTWEIGHT CLARK IMAGE THAT IT MIGHT BE SURPRISED, IN THE HEAVY MEDIA SATURATION OF A CAMPAIGN, TO LEARN THAT CLARK IS BETTER THAN THEY HAD BEEN LED TO BELIEVE. AS NOTED ABOVE, HE IS A TIRELESS CAMPAIGNER AND COMES ACROSS WELL IN A FAST-MOVING CAMPAIGN SETTING. NET RESULT COULD BE A GROWING RESPECT FOR CLARK'S OVERALL CAPACITY WHICH, IN EMBASSY VIEW, WOULD BE JUSTIFIED. CLARK, IN THE AGGREGATE, IS LARGER THAN THE SUM OF HIS PARTS AND CLEARLY MUCH MORE THAN MEDIA OR LIBERAL SMEAR CAMPAIGN WOULD HAVE PUBLIC BELIEVE. TRUE, HE HAS FEW PERSONAL CHARACTERISTICS THAT GRAB OR IMPRESSIVE NEW POLICIES. BUT HE STRIKES US AS FUNDAMENTALLY SOUND--BASICALLY INTELLIGENT; QUICK TO LEARN AND ADAPT; AND VERY MUCH IN CONTROL OF HIMSELF. IN SUM, HE COULD BE A GOOD LEADER OF THIS COUNTRY IN TROUBLED TIMES.

13. CLARK'S SUBSTANTIVE POSITIONS: CLARK'S VIEW ON THE BIG DOMESTIC AND INTERNATIONAL ISSUES IS HARD TO PIN-POINT FOR TWO BASIC REASONS. FIRST, HE WAS EXTRAORDINARILY GREEN WHEN HE WAS ELECTED LEADER. WITH ONLY FOUR YEARS ON THE HOUSE BACKBENCHES AND LITTLE EXPOSURE TO HIGH-LEVEL POLICY, CLARK WAS UNSURE OF HIMSELF AND PROBABLY UNSURE OF WHERE HE STOOD ON MAJOR ISSUES. HE IS, HOWEVER, A QUICK LEARNER AND HAS SPOKEN WITH MORE CONFIDENCE OVER THE LAST YEAR. AT SAME TIME, HOWEVER, TACTICAL CONSIDERATIONS HAVE MILITATED AGAINST SPECIFICITY. LEADING TORIES HAVE CANDIDLY STATED TO EMBOFFS THAT THEY HAVE NO INTENTION OF GETTING OUT ON A POLICY

LIMB IN THIS CAMPAIGN. THEIR STRATEGY IS ONE OF ATTACK ON THE TRUDEAU GOVERNMENT'S RECORD WITHOUT ADVANCING DETAILED POLICY FOR LIBERAL COUNTERATTACK. IN SHORT, CONFIDENTIAL

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CLARK'S EARLIER PERSONAL VAGUENESS NOW COINCIDES WITH ELECTORAL EXPEDIENCY.

14. INTERNATIONAL ISSUES: CLARK'S VIEWS ON FOREIGN POLICY ARE PARTICULARLY VAGUE. BY AND LARGE, FROM EVIDENCE AVAILABLE, IT APPEARS THAT HIS GOVERNMENT'S POLICY WOULD CLOSELY PARALLEL THAT OF THE TRUDEAU GOVERNMENT ON MOST MAJOR ISSUES: THE MIDDLE EAST; SOUTHERN AFRICA; NUCLEAR NON-PROLIFERATION; NORTH/SOUTH QUESTIONS; DEVELOPMENT ASSISTANCE; AND LOS. ON THESE ISSUES, HIS INFREQUENT PRONOUNCEMENTS HAVE BEEN CRITICAL OF THE TRUDEAU GOVERNMENT ON NUANCE BUT HAVE NOT REVEALED MAJOR DIFFERENCES AND HAVE LACKED PRESCRIPTION.

15. UNTIL RECENTLY, THERE WAS ONE AREA OF MAJOR DIFFERENCE. SINCE BEFORE HIS ELECTION AS TORY LEADER, CLARK HAS BEEN A STRONG ADVOCATE OF A BEEFED-UP CANADIAN MILITARY AND INCREASED CANADIAN PARTICIPATION IN NATO. ON THE FORMER, HE SAID "THE SAD TRUTH IS THAT CANADIAN FORCES ARE UNDERMANNED, OVERWORKED, AND SADDLED WITH OBSOLETE EQUIPMENT." ON THE LATTER, CLARK HAS DESCRIBED CANADIAN PRESENCE IN WESTERN EUROPE AS "LITTLE MORE THAN A TOKEN" AND HAS CALLED FOR "A QUANTITATIVE AND QUALITATIVE IMPROVEMENT IN CANADA'S CONTRIBUTION TO THE DEFENSE OF WESTERN EUROPE." EVEN HERE, HOWEVER, HE HAS NOT ADVANCED SPECIFIC FIGURES.

16. TRUDEAU'S NEW-FOUND INTEREST IN THE CANADIAN MILITARY (ACQUISITION OF THE LRPA AND LEOPARD TANKS; PLANS FOR PURCHASE OF NEW FIGHTER AIRCRAFT) HAS WORKED TO PREEMPT THIS RARE SHOW OF CLARK PERSONAL COMMITMENT. IN ANY CASE, THE CANADIAN ARMED FORCES WOULD LIKELY RECEIVE MORE FAVORABLE TREATMENT IN A CLARK ADMINISTRATION.

17. CLARK IS BY PERSUASION CLOSE TO THE SMALL L LIBERAL, "RED TORY" FACTION OF HIS PARTY--ONE REASON WHY WE ANTIC-CONFIDENTIAL

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IPATE HE WOULD CONTINUE THE GENERAL THRUST OF TRUDEAU FOREIGN POLICY. CLARK WOULD HAVE TO COME TO TERMS,

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HOWEVER, WITH A SIGNIFICANT CAUCUS ELEMENT WHICH IS ARCH CONSERVATIVE AND RABIDLY ANTI-COMMUNIST. TRUDEAU'S FLIR-TATION WITH CUBA HAS BEEN A MAJOR TARGET OF THIS GROUP, AND CUBA'S AFRICAN ADVENTURES AND ESPIONAGE ACTIVITIES HAVE CAUSED UPROARIOUS HOUSE DEBATE. WE ANTICIPATE THAT CLARK WOULD BE FORCED TO MAKE SOME GESTURES ON THIS ISSUE TO SIGNAL A COOLING OF THE RELATIONSHIP. HE MIGHT, FOR EXAMPLE, CURTAIL OR EVEN TERMINATE THE MODEST CANADIAN AID PROGRAM IN CUBA OR PERHAPS RESTRICT CUBAN USE OF CANADIAN AIRPORTS. HE WOULD MOVE GINGERLY, HOWEVER, TO PROTECT A HIGHLY FAVORABLE BALANCE OF TRADE (NEARLY \$200 MILLION SURPLUS FOR GOC IN 1976).

18. SIMILARLY, THERE ARE STRONG PROTECTIONIST FORCES IN HIS CAUCUS. FROM SCANTY EVIDENCE IT APPEARS THAT CLARK FAVORS AN INCREASINGLY FREER INTERNATIONAL TRADING SYSTEM. HIS FINANCIAL SHADOW MINISTER, SINCLAIR STEVENS, HOWEVER, HAS MADE FREQUENT, PROTECTIONIST NOISES IN THE HOUSE OF LATE, AND THESE ARE LIKELY FAVORED BY MANY IN THE CAUCUS. IN THIS PRE-ELECTION PERIOD, MUCH OF THIS MAY BE ASCRIBED TO POLITICAL OPPORTUNISM. IN BAD ECONO-
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MIC TIMES, PROTECTION OF LOCAL INDUSTRIES HAS APPEAL IN THE RIDINGS, SOME OF WHICH SUFFER UNEMPLOYMENT IN EXCESS OF 10 PERCENT. POLITICS ASIDE, HOWEVER, THERE APPEARS TO BE A MARKED STRAIN OF TORY CONVICTION IN THIS ISSUE, AND CLARK MIGHT HAVE HIS HANDS FULL IN KEEPING THIS AT BAY.

19. CANADIAN-U.S. RELATIONS: IN GENERAL TERMS, CLARK IS WELL AWARE OF THE IMPORTANCE OF THE CROSS-BORDER RELATIONSHIP AND HAS FREQUENTLY ATTACKED THE TRUDEAU GOVERNMENT FOR CREATING UNNECESSARY IRRITANTS. IN A MAJOR FOREIGN POLICY SPEECH, CLARK DESCRIBED THE U.S. AS "THE MOST IMPORTANT ALLY CANADA HAS", AND ATTACKED "THE ATTITUDE OF THIS GOVERNMENT TO TALK ABOUT GOOD RELATIONS WITH THE US AND THEN TO ACT IN WAYS WHICH UNDERMINE, UNNECESSARILY, THOSE GOOD RELATIONS." ON ANOTHER OCCASION HE ASSERTED THAT "CANADA'S RELATIONS WITH THE UNITED STATES MUST BE GOVERNED BY THE RECOGNITION THAT WE SHARE COMMON GOALS, BUT WE ARE GOING TO DISAGREE AS ALL NEIGHBORS DO ABOUT SPECIFIC QUESTIONS...THOSE REAL DIFFERENCES WILL BE RESOLVED MOST EFFECTIVELY IF THE ATMOSPHERE IS NOT SOURED IN ADVANCE BY PETTY DISAGREEMENTS ABOUT UNIMPORTANT MATTERS. WE SHOULD NOT PICK FIGHTS WITH OUR FRIENDS."

20. THERE IS A STRONG MEASURE OF GOOD WILL TOWARDS THE U.S. AMONG CLARK AND HIS CLOSEST ADVISORS. FROM HIS STANDPOINT, CLARK'S JUNE 1976 VISIT TO WASHINGTON WAS A COMPLETE SUCCESS AND IT HAD CONSIDERABLE, FAVORABLE IMPACT ON HIM. HIS MEETINGS WITH THEN SECRETARY OF STATE KISSINGER AND THEN PRESIDENT FORD WERE UNEXPECTED BONUSES, AND HE WAS BOTH IMPRESSED AND GRATEFUL.

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21. EVEN WITH THIS RESERVOIR OF GOOD WILL, HOWEVER, CANADA-US RELATIONS COULD BE UNEVEN AT THE OUTSET OF A CLARK ADMINISTRATION--AN OPINION EXPRESSED TO EMBOFF BY ONE OF CLARK'S CLOSEST POLICY ADVISORS. LEADING TORIES, INCLUDING CLARK, ARE AS UNFAMILIAR WITH SPECIFICS AND NUANCES OF THE RELATIONSHIP AS THEY ARE WITH GOVERNING A COUNTRY. EXCLUDING THE DIEFENBAKER INTERLUDE BETWEEN 1957 AND 1963 (TEMPESTUOUS YEARS IN CANADA-US RELATIONS), THE TORIES HAVE NOT GOVERNED CANADA SINCE 1935--FOUR YEARS BEFORE CLARK WAS BORN. CLARK'S POLICY ADVISOR DESCRIBED CLARK AND HIS CLOSE ADVISORS AS "UNSOPHISTICATED" ON THE CANADA-U.S. RELATIONSHIP. HE SUGGESTED THAT THIS COULD WELL GIVE RISE TO INITIAL CONFUSION AND LACK OF DIRECTION. THIS, IN TURN, MIGHT CAUSE A CLARK ADMINISTRATION TO MASK INEXPERIENCE WITH BLUSTER AND TO TARGET THE U.S. AS A

CONVENIENT CAUSE OF CANADIAN ILLS. DIEFENBAKER FOUND THIS TO BE AN EFFECTIVE THEME.

22. FORTUNATELY, HOWEVER, JOE CLARK IS NO DIEFENBAKER AND, AS INDICATED, THERE IS CONSIDERABLE GOOD WILL IN AND AROUND HIM. PATIENCE AND FORBEARANCE BY THE U.S. COULD BE CRUCIAL AS THE TORIES GROPE WITH AN UNACCUSTOMED LEADERSHIP ROLE.

23. NATIONAL UNITY. KEY WORD IN CLARK'S POSITION HAS BEEN "FLEXIBILITY." CONCEPTS SUGGESTED BY THIS WORD CONTRAST WITH TRUDEAU'S UNCOMPROMISING POSTURE (TO DATE) AGAINST WEAKENING FEDERAL GOVERNMENT. STRUCTURE TO FLEXIBILITY THEME WAS SUPPLIED IN "KINGSTON STATEMENT," A COMMUNIQUE ISSUED AFTER CLARK MET IN SEPT 1977 WITH 4 TORY PREMIERS (DAVIS, MOORES, HATFIELD, AND LOUGHEED. LYON OF MANITOBA SUBSEQUENTLY ENDORSED STATEMENT). STATEMENT CALLS FOR: A) REPATRIATION OF BRITISH NORTH AMERICA ACT (CANADIAN CONSTITUTION); B) CONSTITUTIONAL PROVISION CURBING FEDERAL SPENDING IN AREAS OF EXCLUSIVE

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PROVINCIAL JURISDICTION WITHOUT AGREEMENT OF PROVINCES AFFECTED; C) BAR ON CONDITIONAL GRANTS BEING USED TO IMPOSE FEDERAL PRESENCE IN PROVINCIAL FIELDS; D) A "COMMITMENT" FOR ANNUAL CONSULTATIONS BY FIRST MINISTERS ON ECONOMIC AND FISCAL POLICIES AND GOALS; E) CONCEPT OF FINANCIAL EQUALIZATION TO REMEDY REGIONAL DISPARITIES SHOULD BE INSCRIBED IN CONSTITUTION; F) SERVICES OF

FEDERAL GOVERNMENT IN BOTH OFFICIAL LANGUAGES "INSOFAR AS IS PRACTICABLE;" G) AREAS OF CONCURRENT FEDERAL AND PROVINCIAL JURISDICTION SHOULD BE EXPANDED "ON A COOPERATIVE BASIS TO INCLUDE CULTURAL DEVELOPMENT;" H) IMPLEMENTATION OF EDUCATION LANGUAGE RIGHTS, AN EXCLUSIVE PROVINCIAL MATTER, PURSUANT TO UNDERTAKINGS OF ANGLOPHONE PREMIERS IN NEW BRUNSWICK (REF B), I.E. STUDY OF LINGUISTIC SITUATION AND PROVISION OF SEPARATE LANGUAGE EDUCATION WHERE NUMBERS WARRANT IN PROVINCIAL OPINION; I) CONSTITUTIONAL PROVISION EXTENDING EXCLUSIVE PROVINCIAL JURISDICTION OVER NATIONAL RESOURCES TO INCLUDE THOSE IN OFFSHORE WATERS; J) CLOSE AND FORMAL INVOLVEMENT OF PROVINCIAL GOVERNMENTS IN APPOINTMENTS TO SUPREME COURT, THE SENATE, AND SUCH AGENCIES AS THE CANADIAN TRANSPORT COMMISSION; CONFIDENTIAL

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K) JOINT FEDERAL AND PROVINCIAL EXAMINATION OF "THE IMPACT OF EXISTING TARIFF, TRANSPORTATION AND TAXATION POLICY UPON REGIONAL GROWTH WITH THE GOAL OF MAXIMIZING THE NATURAL INDUSTRIAL POTENTIAL OF EACH REGION (AND TO SEEK) A TRANSPORTATION SYSTEM WHICH NO LONGER GIVES TO ONE REGION AN UNFAIR ADVANTAGE AT THE EXPENSE OF ANOTHER."

24. RANGE OF KINGSTON COMMUNIQUE PROPOSALS WAS EXTENDED, PRESUMABLY WITH CLARK AUTHORIZATION, IN MARCH SPEECH BY FLORA MAC DONALD. MAC DONALD CALLED FOR REVISION OF SENATE, WHICH WOULD BECOME A HOUSE OF PROVINCES WITH ITS MEMBERS DIRECTLY APPOINTED AND RESPONSIBLE TO PROVINCIAL GOVERNMENTS.

25. KINGSTON PROPOSALS ADMIRABLY SUIT CLARK IN DANGEROUS AREA OF NATIONAL UNITY. THEY GIVE APPEARANCE OF POLICY INITIATIVE BUT, UPON REFLECTION, ARE NOT VERY FAR-REACHING OR CONTROVERSIAL. FURTHER, THEY APPEAL TO PROVINCIAL RIGHTS SENTIMENT, A POWERFUL SOURCE OF VOTES IN TORY VIEW. FINALLY, THEY ALLY CLARK WITH POWERFUL PROVINCIAL PREMIERS, CREATING AN IMAGE OF UNITY AGAINST ALWAYS UNPOPULAR OTTAWA AND TRUDEAU CENTRALIST VIEWS.

26. MAC DONALD PROPOSAL IS MORE IMAGINATIVE, AND IT ALSO APPEALS TO PROVINCIAL RIGHTS PROPONENTS (WITH POSSIBLE EXCEPTION OF PROVINCIAL PREMIERS WHO MAY OBJECT TO SENATORIAL POWER RIVALING THEIR OWN). SINCE IT IS POTENTIALLY MORE CONTROVERSIAL, TORY STRATEGISTS MAY HAVE DECIDED TO HAVE MAC DONALD RATHER THAN CLARK FLOAT IT TO INSULATE LATTER FROM NEGATIVE REACTION. TO DATE, HOWEVER, PROPOSAL HAS ATTRACTED LITTLE ATTENTION, PRO OR CON.

27. BENEATH VENEER OF PUBLIC STANCE, WE UNDERSTAND THAT CONFIDENTIAL

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CLARK AND MANY TOP TORY ADVISORS ARE INTRIGUED BY CONCEPT OF "SPECIAL STATUS" FOR QUEBEC OR, PERHAPS, CLAUDE RYAN'S AUTONOMIST THESIS. THIS ATTRACTION, HOWEVER, CANNOT BE TRANSLATED INTO PUBLIC POLICY BECAUSE OF HIGH ELECTORAL DANGER. TORIES ADVANCED "SPECIAL STATUS" CONCEPT IN 1968 ELECTIONS AND SUFFERED SEVERE ANGLOPHONE BACKLASH AS A RESULT.

28. SHOULD CLARK COME TO POWER, HOWEVER, HIS INTEREST IN SOME VARIATION ON "SPECIAL STATUS" STANCE COULD BE IMPORTANT. THE ANGLOPHONE PUBLIC MIGHT BE BROUGHT AROUND TO A MORE POSITIVE ATTITUDE TOWARDS "SPECIAL STATUS" IF THOSE WORDS WERE NOT USED (THEY WILL REMAIN POLITICAL POISON), AND CONCESSIONS TO QUEBEC WERE ACCOMPANIED BY CONCESSIONS IN AREAS OF SPECIAL INTEREST TO ANGLOPHONE PROVINCES.

29. DOMESTIC ECONOMIC POLICY: CLARK'S STRATEGY ON DOMESTIC ECONOMIC ILLS HAS BEEN TO CONCENTRATE ATTACK ON THE TRUDEAU GOVERNMENT'S RECORD. IT IS GENERALLY AGREED BY TORIES (AND, INDEED, BY TOP LIBERALS) THAT THIS RECORD IS WHERE LIBERALS ARE MOST VULNERABLE, AND ELECTION OUTCOME MAY WELL DEPEND ON PC ABILITY TO TURN THIS ISSUE INTO VOTES.

30. CLARK HAS, IN ADDITION, PROPOSED SOME ECONOMIC POLICY ALTERNATIVES, HEAVILY WEIGHTED TOWARDS REDUCED FEDERAL GOVERNMENT INTERVENTION IN THE ECONOMY. HE HAS SUGGESTED A FREEZE IN GOVERNMENT HIRING; SALE TO PRIVATE SECTOR OF SOME CROWN CORPORATIONS, E.G. PETROCAN, ELDORADO NUCLEAR, AND NORTHERN TRANSPORTATION; REDUCTION IN GOVERNMENT REGULATIONS STARTING WITH MINING AND MANUFACTURING INDUSTRIES; REDUCTION IN GOVERNMENT ADVERTISING AND CONSULTING; AND A GREATER ROLE FOR PARLIAMENT IN CONTROLLING FEDERAL GOVERNMENT EXPENDITURES.

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31. HOWEVER, MOST CATCHY CLARK POLICY HAS BEEN PROMISE OF A 2 BILLION DOLLAR TAX CUT FINANCED, IN LARGE PART, BY REDUCTION OF 20,000 FEDERAL SERVANTS EACH YEAR FOR THREE YEARS BY ATTRITION THROUGH RETIREMENTS, ETC. THE CUT WOULD BE "AT LEAST TWO BILLION DOLLARS A YEAR. THAT WOULD BE A PERMANENT TAX CUT, NOT A ONE MONTH TAX HOLIDAY OR A SHORT TERM TAX CREDIT."

32. A CLARK POLICY ADVISOR, WHO WAS A SUCCESSFUL BUSINESS-MAN, CANDIDLY EXPRESSED HORROR TO EMBOFF OVER THE FISCAL IRRESPONSIBILITY OF TAX CUT PROPOSAL. HE NOTED THAT IT HAD BEEN PUT TOGETHER BY CLARK'S POLITICAL ADVISORS AND THAT THERE WAS NO WAY IN WHICH TO MAKE GOOD ON PROMISE. HE CONCEDED, HOWEVER, THAT IT MIGHT BE POLITICALLY EFFECTIVE, WITH ITS ROUND NUMBERS WHICH CAN BE UNDERSTOOD BY MAN IN THE STREET.

33. FEASIBLE OR NOT, CLARK'S ECONOMIC PROPOSALS HAVE APPARENTLY MADE LITTLE IMPRESSION ON CANADIAN VOTER TO DATE. AVERAGE CANADIAN SEEMS TO HAVE LITTLE CONFIDENCE
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IN TRUDEAU GOVERNMENT'S MANAGEMENT OF THE ECONOMY BUT NO MORE IN CLARK'S ABILITY TO SOLVE COUNTRY'S ECONOMIC PROBLEMS. THIS SENTIMENT, INDEED, IS CHARACTERISTIC OF WHOLE TENOR OF POLITICAL SITUATION HERE AT PRESENT TIME. NEGATIVE IS BEST DESCRIPTION. IF TREND CONTINUES UNTIL ELECTION, OUTCOME COULD REST ON WHICH LEADER, CLARK OR TRUDEAU, COMMANDS THE LEAST RESPECT AND CONFIDENCE.
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